

A quick glance at the
Seychelles Pension Fund

2021

PENSION IN FIGURES

Table of Contents

Foreword	2
1. Demographics	3
1.1 Population	3
1.2 Working population	3
1.4 Life expectancy at birth	4
1.5 Birth rate trend for the past years	4
1.6 Life expectancy at the age of 65 years for the past 5 years	5
2. Replacement rate	5
3. Dependency ratio	6
4. Membership	6
4.1 SPF's membership in 2021	6
4.2 Employers	6
4.3 Member's Fund	7
4.4 Rate of growth in total membership and pensioners of SPF (2006-2021)	7
4.5 Details of Active members for 2021	8
5. Contribution rates	8
5.1 Mandatory contribution rate	8
5.2 Voluntary contributions	9
5.3 Details of contributions collected	9
6. Pension and Benefits	9
6.1 Formula for pension calculation	9
6.2 Total pensions paid in 2021 – SCR 481 million (15% increase in pension paid from 2020)	10
6.3 Youngest and oldest pensioners for 2020	10
6.4 Total benefits paid over the past 5 years	11
6.5 New pensioners for the past 5 years	11
7. Investments	12
7.1 Investment portfolio by asset class	12
7.2 Investment portfolio by sectors	12
7.3 Investment income	13
7.4 Expenditure	13
7.5 Investment income over expenditure from 2006-2021 (without fair value)	14
8. Performance over the years	14
8.1 Comparison of pensioners with active contributors for the past 5 years	14
8.2 Excess contributions over pensions paid	15
9. Administrative costs	15
9.1 Details of administrative costs	16
9.2 Administrative cost as a percentage of Investment income, Net assets and total income	16
9.3 Comparison of administrative costs over 5 years	17
10. Actuarial valuation	17



FORWARD •

The Seychelles Pension Fund (SPF) is pleased to launch the eleventh edition of its Pension in Figures booklet for the year 2021.

This pocket-sized booklet provides a glance on the country's demographic developments and SPF's financial results for 2021, with greater details on pension and investment performance. It also serves to better educate and provide precise information to members and stakeholders.

The year 2021 was challenging for SPF, with the effects of COVID-19 still very prevalent. This adversely affected investment performance, caused by a significant decline in investment income with significant foreign exchange losses being recorded. Throughout most of the year, rental concessions were given to tenants, while dividend payouts from equity investments remained relatively low as companies showed modest signs of recovery from the effects of the pandemic. The performance of Fixed Income holdings was also affected, largely due to a significant drop in domestic interest rates. However, SPF still managed to achieve a level of investment income of SCR 163 million without fair value, which was nonetheless 18% less than the previous year.

The number of active members at end of year stood at 44,441, representing a 3.6% increase from 2020, with total contribution collected levelling at SCR467 million. This in turn represented a 1.5% increase from 2020, broken down as SCR 428 million from mandatory contribution and SCR 39 million was from voluntary contribution.

The total number of beneficiaries for the year increased by 11% compared to 2020, to reach 7,194 pensioners. The level of total pension and benefits payouts was SCR 481 million, which represents an increase of 15% compared to the previous year.

The difference between total contribution collected over the pension and benefits payout signified a deficit of SCR 14 million, whilst an excess of investment income over investment and administrative costs without fair value of SCR 45 million was recorded, representing a net return of 3% in nominal terms.

It is important that SPF continues to increase its reserves over time. With its Actuarial valuation due in 2022, it will be easier to evaluate the full extent of the COVID-19 pandemic on the fund and work on a long-term plan to ensure that the institution remains affordable and sustainable. This will help to counter the effects of growing numbers of beneficiaries, which is presently increasing pension payout, as well as the uncertainties in the domestic and global economies.

SPF wishes you a happy reading

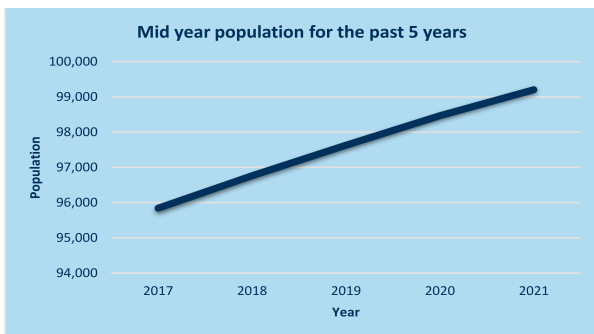
1. Demographics

(Source: NBS mid-year and end of year bulletins)



1.1 POPULATION

Total Population of Seychelles: **99,202** (98,462-2020)



Source: NBS, Midyear population bulletin 2021

GROWTH RATE:

0.7 (0.9 in 2020)

BIRTH RATE:

16.8 (15.8 in 2020)

DEATH RATE:

9.3 (6.8 in 2020)

FERTILITY RATE:

2.5 (2.3 in 2020)

1.2 Working Population (15 years and above)

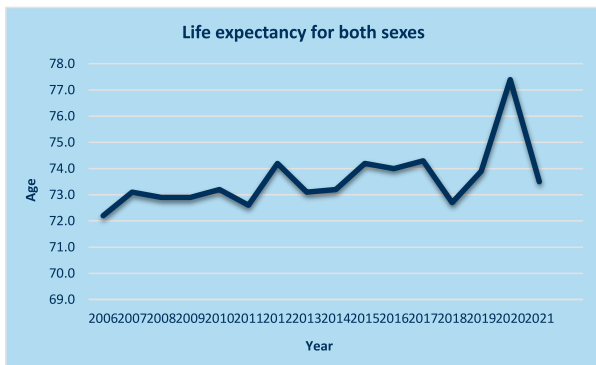
77,772 (1% increase from 2020)

1.4 Life expectancy at birth

Life expectancy for both sexes: 73.5 (77.3-2020)

Male: 71.3 years Female: 75.6 years

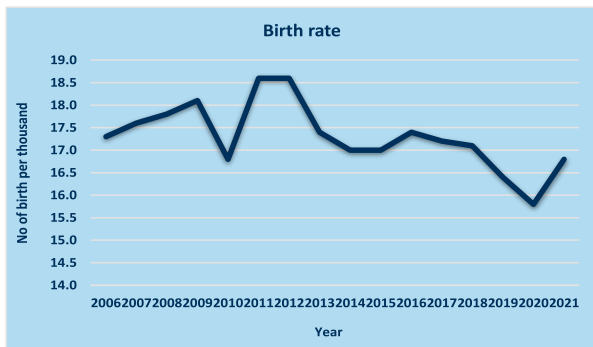
(Male: 72.7 years Female: 82.0 years-2020)



Source: NBS, End of year population estimates 2021

1.5 Birth rate trend for the past years

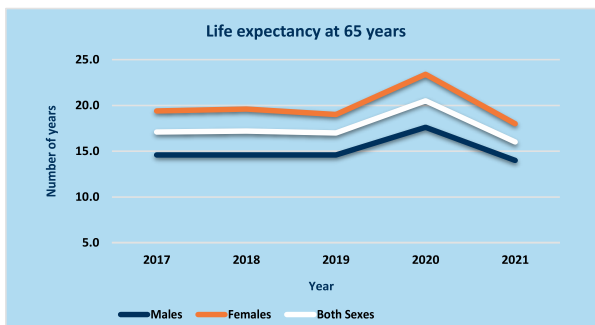
The total number of live births per 1,000 in a population in a year or period.



Source: NBS, End of year population estimates 2021

1.6 Life expectancy at the age of 65 years for the past 5 years

Life expectancy at 65 for 2021 is 16.0 years



Source: NBS, End of year population estimates 2021

2. Replacement rate

Average replacement rate for 2021: Approximately **50%** (57% in 2020)

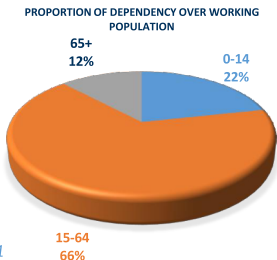
Source: SPF, New retirees data base 2021



The replacement rate is defined as the individual pension entitlement divided by pre-retirement earning. It measures how effectively a pension system provides a retirement income to replace earnings, the main source of income before retirement. ILO recommends a replacement rate of at least 40%.

3. Dependency ratio

For 2021: **503** (484 were depending on 1,000 people in 2020)



Source: NBS, Midyear population bulletin 2021

Age dependency ratio is the ratio of people in the “dependent” ages (those under the age of 15 and 65 and older) to those in the economically productive ages (15 to 64 years) in a population. The economically productive ages have decreased by 2% in 2021 from 2020



2006	463
2007	463
2008	441
2009	439
2010	421
2011	434
2012	433
2013	429
2014	424
2015	427
2016	428
2017	423
2018	440
2019	464
2020	484
2021	503

4. Membership

4.1 SPF's membership in 2021

Active members

44,441 (3.6% increase from 2020)



4.2 Employers

Total Employers registered with SPF:
3,468 0.8% decrease (3,496 in 2020)

Total Self-Employed registered with SPF:
2,535 7% increase (2,357 in 2020)



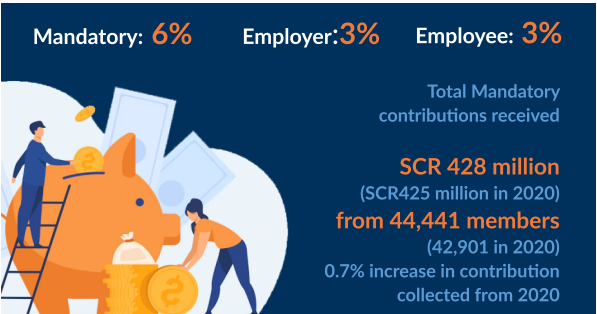
4.5 Details of Active members for 2021

Age group	Female	Male	Total	Percentage coverage	
15-24	2,689	2,893	5,582	}	63%
25-29	3,250	2,777	6,027		
30-34	3,171	2,556	5,727		
35-39	2,995	2,355	5,350		
40-44	3,147	2,204	5,351		
45-49	2,933	2,163	5,096	}	33%
50-54	2,821	2,003	4,824		
55-59	2,628	1,821	4,449		
60-63	1,057	831	1,888		
over 63	59	88	147	}	4%
Total	24,750	19,691	44,441		

Source: SPF, active members' data base 2021

5. Contribution rates

5.1 Mandatory contribution rate



4.3 Member's Fund



4.4 Rate of growth in total membership and pensioners of SPF (2006-2021)

Members			Pensioners		
Year	Active Members	Rate of Growth	Year	Number of Pensioners	Rate of Growth
2006	33,505	N/A	2006	362	N/A
2007	32,104	-5.0%	2007	691	91%
2008	32,174	0.0%	2008	1041	51%
2009	30,166	-6.0%	2009	1429	37%
2010	33,371	11.0%	2010	1786	25%
2011	35,252	6.0%	2011	2166	21%
2012	39,461	12.0%	2012	2528	17%
2013	40,279	2.0%	2013	2910	15%
2014	38,117	-5.0%	2014	3274	13%
2015	41,787	10.0%	2015	3670	12%
2016	41,085	-2.0%	2016	4,287	17%
2017	42,720	4.0%	2017	4,929	15%
2018	43,561	1.5%	2018	5,501	12%
2019	43,715	0.4%	2019	5,918	8%
2020	42,901	-2.0%	2020	6,501	10%
2021	44,441	3.6%	2021	7,194	11%

Source: SPF, number of beneficiaries' data base 2021

5.2 Voluntary Contributions



VOLUNTARY:

SCR39 million

(SCR35 million in 2020)

From 9,296 members

(8,827 in 2020)

11% increase in contribution
collected from 2020

5.3 Details of contributions collected

Years	2020		2021	
Details	Contributors	Amount SCR'M	Contributors	Amount SCR'M
Voluntary	8,827	35	9,296	39
Mandatory	42,901	425	44,441	428
Total Contribution SCR'M	460		467	

Source: SPF, active members' data base and financial statement 2021

6. Pension and Benefits

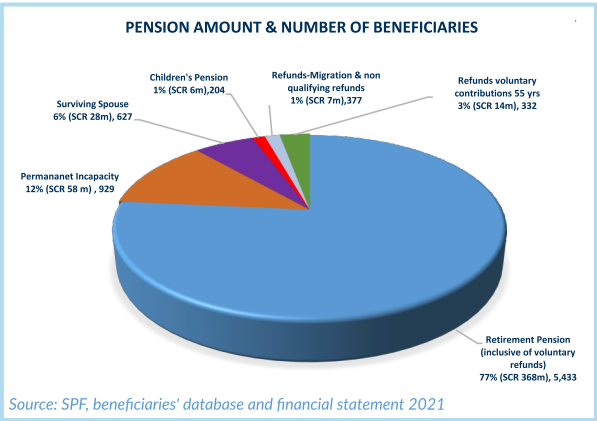
6.1 Formula for pension calculation

SPF operates a Defined Benefits Scheme, whereby the pension paid to a member is not determined by how much the member has contributed throughout his or her career, but based on a pension formula which considers the years of contribution, salary and wage growth through the years. The new pension formula was introduced in 2015 and is still being used today.

The formula is as follows:



6.2 Total pensions paid in 2021 – SCR 481 million
(15% increase in pension paid from 2020)



6.3 Youngest and oldest pensioners for 2020

Types of Benefits	Number of beneficiaries	Youngest Pensioners	Oldest Pensioners
		Age (yrs)	Age (yrs)
Retirement Pension	5,433	60	82
Permanent Incapacity	929	36	76
Surviving Spouse pension	627	29	88
Children Pension	204	8 months	24
Dependent with Severe Disability	1	33	33
Total	7,194	N/A	N/A

Source: SPF, beneficiaries' data base 2021

6.4 Total benefits paid over the past 5 years

Year	2017		2018		2019		2020		2021	
Details	Beneficiaries	Amount paid SCR'm	Beneficiaries	Amount paid SCR'm	Beneficiaries	Amount paid SCR'm	Beneficiaries	Amount paid SCR'm	Beneficiaries	Amount paid SCR'm
Retirement Pension	3,765	164	4,214	221	4,482	265	4,886	325	5,433	368
Permanent Incapacity	632	34	710	39	774	45	872	53	929	58
Surviving Spouse Pension	381	16	420	18	486	21	560	24	627	28
Children's Pension	151	4	157	5	176	5	182	5	204	6
Refunds		4		3		2		4		5
Dependent with severe disability					–	–	1	0.01	1	0.02
Total	4,929	222	5,501	286	5,918	338	6,501	407	7,194	460
Voluntary Contribution (refund at Retirement)		4		3		4		0		2
Voluntary Contribution (refund at 55 years)						9		9	332	14
Grand total	4,929	222	5,501	286	5,918	347	6,501	420	6,502	481

Source: SPF, beneficiaries' data base and financial data base 2021

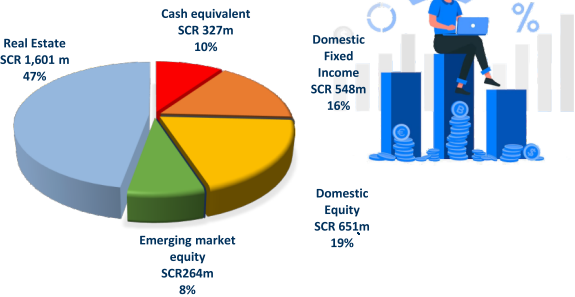
6.5 New pensioners for the past 5 years

Year	2017	2018	2019	2020	2021
Retirement Pension	705	203	306	432	584
60	337	76	123	137	169
61	143	23	74	113	111
62	64	8	23	49	71
63 and above	161	96	86	133	233
Permanent Incapacity	118	58	72	99	54
Children Pension	24	14	32	30	19
Surviving Spouse	19	10	50	72	72
Dependent with severe disability	–	–	0	1	1

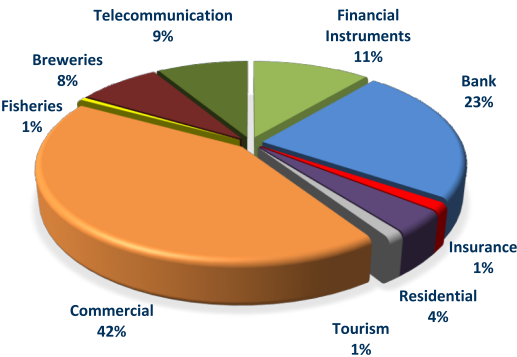
Source: SPF, beneficiaries' data base and financial data base 2021

7. Investments

7.1 Investment portfolio by asset class



7.2 Investment portfolio by sectors

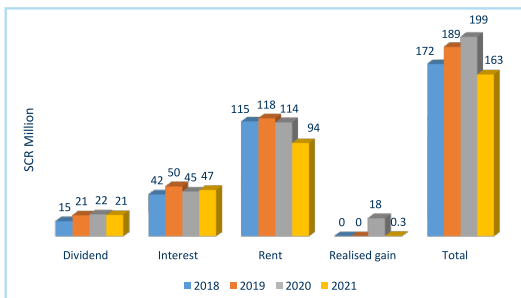


7.3 Investment income

The Total investment income without fair value was **SCR 163 million** 18% less from 2020.

SPF's total revenue is made up of 26% (**SCR 163m**) from investments and 74% (**SCR 467m**) from contributions.

Comparison of Investment Income for 2018-2021

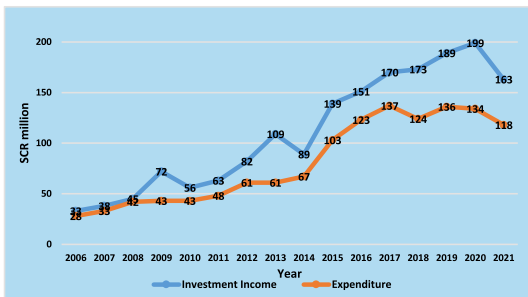


Source: SPF, financial statement 2021

7.4 Expenditure

The expenditure for the year 2021 was **SCR 118 million**, which has decreased by 12% from 2020, generating an excess of **SCR 45 million** from investments without fair value.

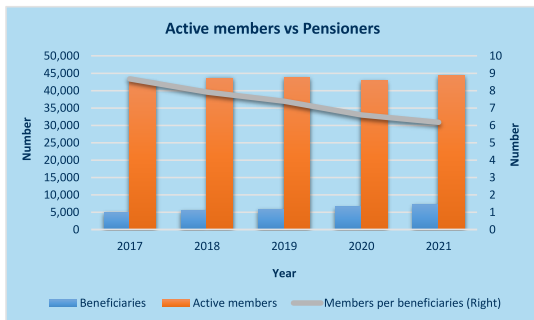
7.5 Investment income over expenditure from 2006-2021 (without fair value)



Source: SPF, financial statement 2021

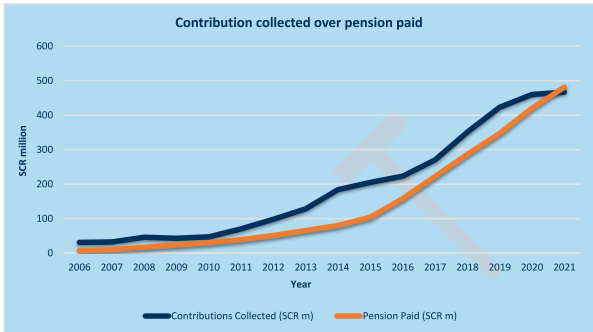
8. Performance over the years

8.1 Comparison of pensioners with active contributors for the past 5 years



Source: SPF, active member and beneficiaries' data base 2021

8.2 Excess contributions over pensions paid



Source: SPF, financial statement 2021

A deficit of **SCR 14m** was recorded in 2021 as a result of more pension being paid as opposed to contribution being collected.

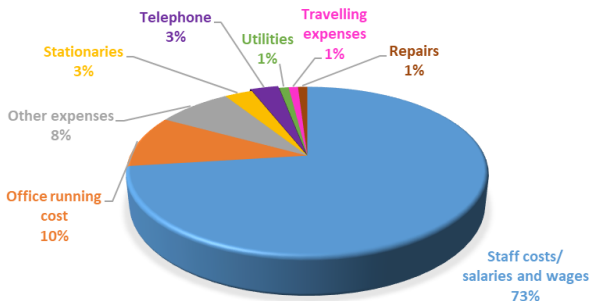
9. Administrative costs



SCR 44 million in 2021
(10% decrease from
SCR 49 million in 2020)

Administrative costs
represent 37% of total SPF
expenditure (**SCR 118 m**)
and 1.26% of total SPF
assets (**SCR 3.5b**)

9.1 Details of administrative costs



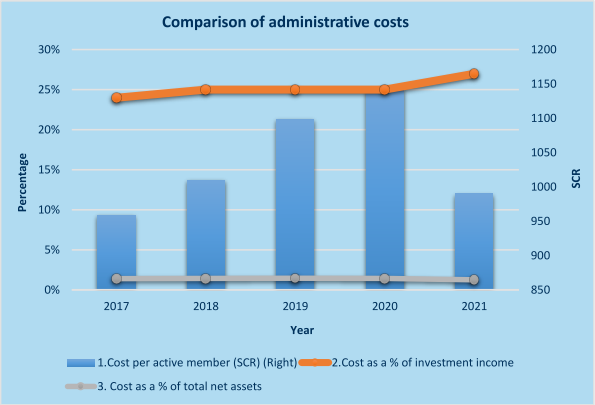
Source: SPF, financial statement 2021

9.2 Administrative cost as a percentage of Investment income, Net assets and total income

Year	2016	2017	2018	2019	2020	2021
1. Cost per active member (SCR)	942	959	1,010	1,098	1,142	990
2. Cost as a % of investment income	26%	24%	25%	25%	25%	27%
3. Cost as a % of total net assets	1.44%	1.40%	1.44%	1.45%	1.44%	1.26%
4. Cost as a % of total income	10.0%	9.0%	8.0%	8.0%	7.0%	7.0%
Administrative costs (SCR' m)	39	41	44	48	49	44
% Increase in administrative cost	26%	5%	7%	9%	2%	-10%

Source: SPF, financial statement 2021

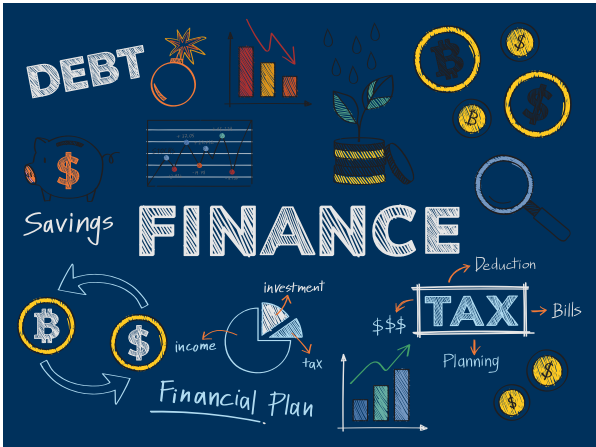
9.3 Comparison of administrative costs over 5 years



Source: SPF, active member data base and financial statement 2021



10. Actuarial valuation

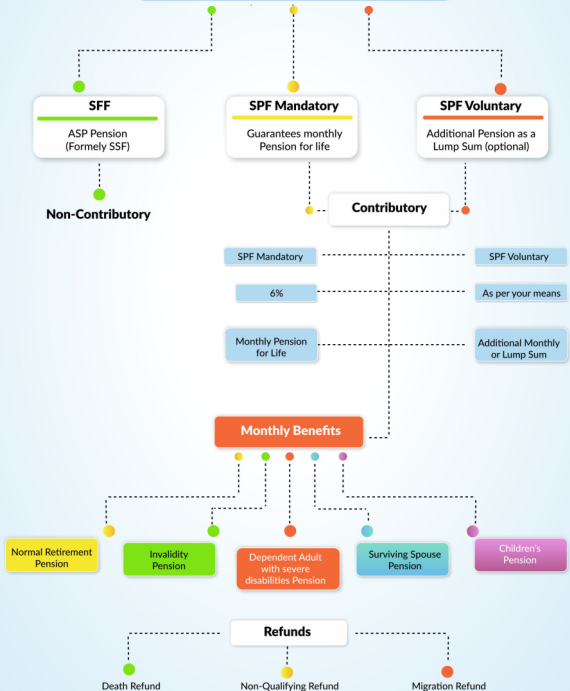


SPF has been in close communication with its Actuary during the year to prepare for the next Actuarial valuation due in 2022.

The scope of work has been discussed and will be further refined during the course of the year 2022.



Pension System in Seychelles





Smart businesses do businesses SMARTLY

- No queues
- Generate payroll and pay contributions online within minutes
- Administer countless accounts as an administrator
- Perfect all-in-one online pension contribution application for professional services, self-employed workers and businesses

**PAY YOUR PENSION
CONTRIBUTIONS AND
SEE YOUR PENSION
STATEMENT
ONLINE NOW!**



**Seychelles
Pension Fund**

429 4650

info@spf.sc



Scan the QR Code
for more information with
your smartphone or type
www.pensionfund.sc

Seychelles Pension Fund has gone digital!

Your greatest resource is your time
Learn more about **ONLINE PAYMENT**
on www.pensionfund.sc

429 4650

info@spf.sc